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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

6180
6151

August 12, 2014

Ross Phillips
Utah Alunite Corporation
170 South Main, Suite 500
Salt Lake City, Utah 84101

Subject: Conditional Final Approval, Utah Alunite Corporation, Blawn Mountain Mine, M/001/0082, Beaver County, Utah

Dear Mr. Phillips:

The Division of Oil, Gas and Mining approves the Notice of Intention to Commence Large Mining Operations (Notice) conditional on receipt of a signed and notarized reclamation contract and of an acceptable financial guarantee in the amount of \$42,299,000.00. Please contact the minerals regulatory program's bonding coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for further information about submitting the reclamation surety.

Other conditions contained in the Division's tentative approval letter of July 8, 2014, are:

1. The Division will need to receive notification from the Trust Lands Administration that any area tentatively approved for mining disturbance has been cleared for cultural resources.
2. Discussions, figures, consistent reclamation cost calculations, and reclamation surety related to features and facilities that do not yet have a finalized design (such as the loadout area, water treatment plant, culverts, and any power plant and onsite transmission lines), will need to be submitted as an amendment to the Notice and approved by the Division prior to their construction. Facilities such as the rail spur and off-site electrical transmission lines that are within 500 feet of the proposed operations will need to be shown on a map.

The Division has received copies of letters, permits, and other documents from Beaver County, the Utah Division of Water Quality, the Utah Division of Water Rights, and the U.S. Army Corps of Engineers, and has incorporated them into Appendix A of the Notice, as requested. The Division requests that copies of approvals from other agencies be provided as such approvals become available.



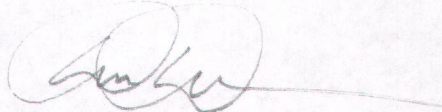
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Enclosed is a copy of a letter received from the Public Land Policy Coordination Office with comments from the Division of Air Quality. Please ensure these issues are adequately address and include appropriate permits and correspondence in Appendix A of the Notice.

The Division also asks that you submit, if available, an electronic copy of the mine disturbed area in the original AutoCAD, shape, or other file format. Please include the projection and datum information with this file. Contact Peter Brinton 801-538-5258 for further information or questions.

Please contact Peter Brinton at 801-538-5258, Wayne Western at 801-538-5263, or Paul Baker at 801-538-5261 if you would like to discuss these conditions or other aspects of this letter.

Sincerely,



Dana Dean, PE
Associate Director of Mining

PBB: pnb: eb

Enclosure: Letter from PLPCO

cc: Jerry Mansfield, SITLA (jmansfield@utah.gov)

Tom Munson, Utah Alunite Corporation (tmunson@potashridge.com)

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